



STATE OF MAINE

OFFICE OF THE
PUBLIC ADVOCATE

ANNUAL REPORT

July 1, 2021 - June 30, 2022

Cover Photo: Maine State House, Augusta, Maine, by Andrew Landry

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Janet T. Mills
 GOVERNOR

William S. Harwood
 PUBLIC ADVOCATE

September 1, 2022

Dear Governor Mills, Chairman Lawrence, and Members of the Joint Standing Committee on Energy, Utilities, and Technology (EUT),

As required by 35-A M.R.S. §1702 (6), the Office of the Public Advocate (OPA) submits this Annual Report of activities which provides an overview of the Office's work in the prior fiscal year. On average, the OPA is involved in approximately 100 proceedings at the Maine Public Utilities Commission (MPUC) and several proceedings at the Federal Energy Regulatory Commission (FERC). The Office continues its legislative involvement by testifying before legislative committees on legislation affecting Maine utility customers and attending work sessions and language reviews of such legislation.

I have served as Public Advocate since my confirmation in January. Accordingly, my knowledge of the work of the Office during the first six months of the past fiscal year is limited. What I can say is during that time the Office, under the capable leadership of Deputy Director Andrew Landry, did not miss a beat. The professionalism and hard work of the entire OPA team was readily apparent as soon as I arrived and has carried over during my first few months with the Office. I am grateful to have inherited such a talented group.

I am also grateful to be supported by many others in state government who work hard every day to support our work and serve the people of Maine. Specifically, OPA could not accomplish anywhere near what it does without support from the Governor's Energy Office, the Public Utilities Commission, and Efficiency Maine Trust. These organizations and their strong leaders, Dan Burgess, Phil Bartlett, and Michael Stoddard are critical to the OPA's work on behalf of ratepayers. And, of course, we all benefit from the strong leadership of our Governor and the hard work of her committed staff.

The OPA's primary responsibility is to represent the interests of Maine utility consumers. Our attorneys and staff advocate for rates, services, and practices to benefit residential and small commercial customers in state and regional forums and provide information and advice to ratepayers.

This office has pursued its mission for the past 41 years, earning the respect of both customers and regulated utilities. While there are a variety of ways to measure the success of the office, the most easily understood is money saved for the utility consumers. Advocacy by

the OPA, up to and including Fiscal Year 2022, brings the OPA's 41-year cumulative savings to \$960,376,872.00. Please see page 33 of this report for its comparison chart. This past year's ratepayer savings was \$19,200,000.00. The OPA manages three budgetary funds: Regulatory Fund (Title 35-A MRS §116, sub-§8), Transmission Fund (Title 35-A MRS §3132, sub-§10-A), and Nonwires Alternatives Coordination Fund (NWAC) (Title 35-A MRS §116, sub-§9; PL 2019, c.298, §2). For fiscal year 2022 the approved budget for each fund was: Regulatory Fund \$2,635,551, Transmission Fund \$500, and NWAC Fund \$950,000.

The OPA appeared before the EUT Committee during the second session of the 130th Legislature, offering testimony during public hearings as well as working with the Committee during work sessions and language reviews. More information can be found in the Legislative Advocacy section in this report.

The OPA participated in several stakeholder groups including the Energy Working Group of the Maine Climate Council, the Offshore Wind Working Group, and the Distributed Generation 2.0 Stakeholder Group.

In 2019, the Maine Legislature passed a law to implement cost effective alternatives, referred to as Nonwires Alternatives ("NWA"). NWA's are electric utility system investments and operating practices that can defer or replace the need for specific transmission and/or distribution projects, at lower total resource cost, by reliably reducing transmission congestion or distribution system constraints at times of maximum demand in specific grid areas. More information regarding the OPA's involvement in the NWA can be found in the Electricity section of this report.

The OPA also has been actively involved in the Maine Telecommunications Relay Council for many years. The Council is responsible for the oversight and management of relay services, which allow Maine residents who are deaf, hard of hearing, or late deafened to obtain telecommunications services on an equal basis as hearing residents.

The OPA assists customers with questions about their utility bills and issues relating to utility service as well as provide help navigating the Consumer Assistance Division established at the PUC. The OPA also works towards providing support for the development of programs that help to maximize energy savings at a low cost. The OPA has continued to provide to legislators, stakeholders, and other interested parties Highlights, a monthly newsletter providing an update of the advocacy work of the OPA.

Once the PUC announced that Standard Offer prices would be increasing by more than 80% on January 1, 2022, the Office needed to respond quickly. Working closely with the Governor's Energy Office and the PUC, an emergency \$90 bill credit was approved for all low-income electricity customers. This extraordinary step was done in just a few weeks and provided critical relief to approximately 75,000 ratepayers struggling under rising energy costs. It is an example of what a small group of dedicated public servants can do to help the less fortunate citizens of our State.

Highlights of the past year are too numerous to list them all here. Details are provided in the substantive sections of this report.

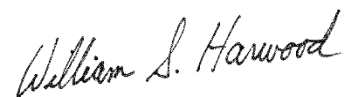
It goes without saying how the coronavirus disease of 2019 (COVID-19) has affected us all. In June of this year the OPA's physical office in Hallowell was re-opened to the public for the first time since March 2020. The office is also available to the public by telephone during regular business hours by contacting (207) 624-3687 and after hours by leaving a voicemail. The OPA also may be contacted by emailing opa@maine.gov. My sincere appreciation goes to the staff of the OPA for continuing their high-quality work for the past two years. Between a combination of telework and minimal staff in the office during limited times, they have performed above and beyond during this challenging time.

In April of 2021, my predecessor Barry Hobbins announced that he would not be seeking reappointment and would be retiring at the end of his term on June 30, 2021. Until my confirmation in January, Deputy Public Advocate Andrew Landry served as acting Public Advocate. The ratepayers of Maine are fortunate to have had such a hardworking and experienced Deputy Director to lead the Office during the six-month vacancy.

I also want to acknowledge Barry Hobbins' service to the people of Maine. His leadership of the Office for 4 years was the culmination of decades of public service, including many years serving as a legislator. Barry set a high standard for public service to which many aspire.

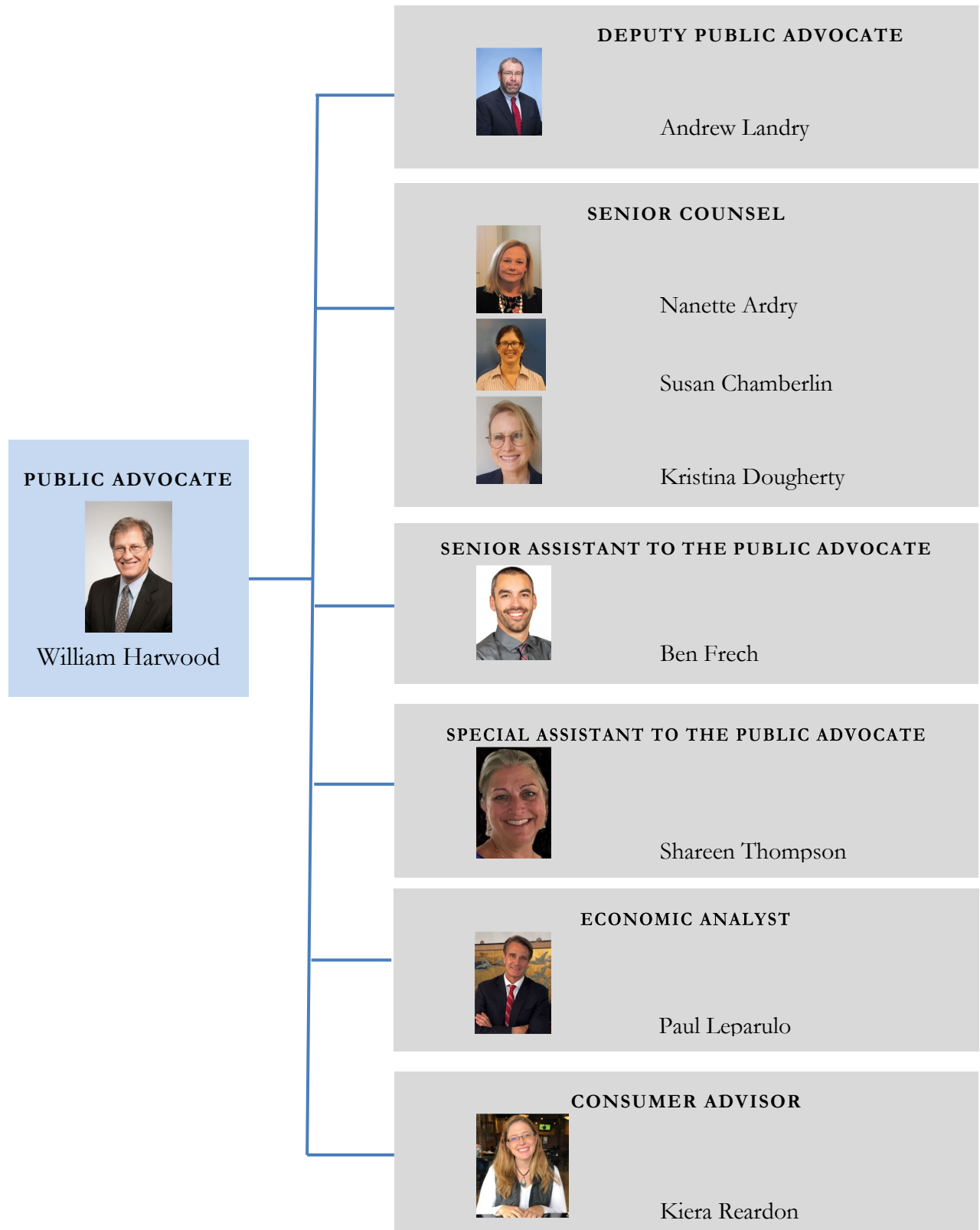
It is an honor to represent the people of Maine as the Public Advocate. I, along with my staff of the Office of the Public Advocate, are pleased and honored to work on behalf of Maine consumers and to represent their interests before the Maine Public Utilities Commission, the Maine Legislature, Federal and State courts, and Federal agencies.

Sincerely,

A handwritten signature in cursive script that reads "William S. Harwood".

William S. Harwood
Public Advocate

OFFICE OF THE PUBLIC ADVOCATE ORGANIZATIONAL CHART



ELECTRICITY

OPA Successful in Preventing Overcharges to Maine Customers, FERC Docket No. ER22-1290

On March 10, 2022, Maine Power Link, LLC (MPL) filed an Application for Negotiated Rate Authority with the Federal Energy Regulatory Commission (FERC) requesting authority to negotiate transmission rates for its proposed project without being subject to various FERC regulatory requirements, including cost of service regulation. MPL is participating in the solicitation being conducted by the PUC pursuant to the Northern Maine Renewables Act, for proposals to construct new renewable generation in Northern Maine that would be delivered over a new transmission line constructed for this purpose.

On March 31, 2022, the OPA filed a Protest with FERC regarding MPL's filing, arguing that MPL had not satisfied the qualifications required under prior FERC decisions necessary to support the grant of negotiated rate authority. Since these conditions were not satisfied, and without the constraints of FERC regulation, the potential was raised that MPL could unfairly exercise market power in negotiating rates for use of the transmission line. The exercise of market power could result Maine consumers paying rates for transmission service that are unnecessarily high. To address this concern, the OPA asked that FERC grant MPL's request for negotiated rate authority subject to the condition that MPL make subsequent filings that demonstrate compliance with the requirements of prior FERC decisions necessary to demonstrate its lack of market power.

On June 22, 2022, FERC issued its Order Denying Application for Authorization to Charge Negotiated Rates, in which FERC agreed with the OPA that MPL had not satisfied the requirements to be granted negotiated rate authority. However, it declined to adopt the OPA's requested remedy and instead simply rejected MPL's request.

This decision does not prevent MPL (or any other successful transmission bidder in the PUC's procurement) from seeking negotiated rate authority from FERC after it has been selected by the PUC, negotiated a transmission services agreement with Maine's utilities, and had that agreement approved by the PUC. The opportunity to seek such authority after these steps avoids the risk that negotiated rate authority that might allow a successful bidder to charge future transmission rates that are excessive.

OPA Urges Elimination of the ISO-NE Minimum Offer Price Rule, FERC Docket No. ER22-1528

On March 31, ISO New England made a filing with FERC proposing to extend what's called the Minimum Offer Price Rule (MOPR) for a few additional years before its termination. The MOPR, in effect, requires renewable energy generators to submit inflated bids to supply electric capacity to the grid in order to allow legacy fossil fuel generators to receive higher prices. On April 21, the OPA joined with the Massachusetts Attorney General in filing a formal protest of the proposal and asking FERC to eliminate MOPR immediately. The OPA argued that MOPR is anticompetitive and unnecessarily delays Maine's progress in

reaching its climate response targets. A separate protest was filed by a coalition of environmental advocacy groups, including the Conservation Law Foundation and the Acadia Center. The OPA and other opponents of the proposal argued that maintaining the rule, even for a few more years, benefits only the carbon-based generators, while hurting renewable generators and consumers. However, on May 27, FERC approved ISO New England's filing, finding that its proposed transition to eventually eliminating MOPR was reasonable.

OPA Fights Versant Power Request for Rate Increase, Docket No. 2020-00316

In January 2021, Versant Power filed a request for a \$22.2 million, or 25.4%, increase in its overall distribution revenues. The OPA vigorously challenged the request, challenging Versant's estimates of operating and capital expenditures. In its final arguments, the OPA recommended that the allowed increase should be reduced by \$8 million to approximately \$14.2 million. In October 2021, the Commission issued a final order in which it rejected the increase requested by Versant and, accepting many of the downward adjustments advocated by the OPA, instead approved an increase in distribution rates of \$15.7 million, about 17.8%, which went into effect on November 1, 2021.

OPA and GEO Win Bill Credit for Low-Income Ratepayers, Docket No. 2022-00043

On February 9, 2022, the OPA and the Governor's Energy Office (GEO) filed a joint petition for approval of a one-time \$90 bill credit for low-income customers of Central Maine Power (CMP) and Versant to help customers facing large increases in energy costs this winter. The OPA and GEO worked with representatives of Central Maine Power and Versant Power, along with other state officials, to develop the program that provided approximately \$8 million of rate relief, from federal funding, to residential customers who have household incomes at or below 150% of the federal poverty guidelines. The PUC granted the joint petition on February 17, 2022.

PUC expands Maine Low-Income Assistance Plan (LIAP) Eligibility for 26,000 more Customers, Docket No. 2021-00400

In early 2022, the PUC issued a Notice of Proposed Rulemaking consider the expansion of eligibility for participation in Maine's Low-Income Assistance Program (LIAP). The OPA participated actively in the proceeding in support of expanding eligibility.

After receiving comments and holding a public hearing, the PUC adopted new rules so that customers who are eligible for any means-tested program administered by DHHS whose household income is found to be at or below 75% of the federal poverty guidelines can be enrolled in LIAP. Once customers receive a letter from DHHS informing them of their eligibility for LIAP, they can receive assistance by contacting their electric utilities.

With this change, the PUC estimates that 50,000 Mainers will now be eligible to receive assistance. That's an increase from the current 24,000 customers. To meet the greater need,

the PUC increased funding for LIAP from the current amount of approximately \$8 million to \$15 million.

Removal of CMP Financial Penalty, Docket No. 2021-00318

On September 30, 2021, Central Maine Power asked the PUC to remove a management efficiency adjustment that had been put in place on March 1, 2020 as part of its most recent rate decision, Docket No. 2018-00194. That decision stated that the adjustment would not be removed until the company showed improvement to its customer service performance. In response to CMP's request, the OPA argued that CMP had not met the conditions required for relief, where the Company had missed all its Service Quality Indices (SQIs) several times over the past 18 months and has been regressing on all the SQIs since February 2021. Further, CMP had only recently made programmatic and personnel changes, and the OPA argued that more time was needed to determine if there had been long-lasting service improvements.

In its Final Order, issued on February 18, 2022, the PUC approved CMP's request to remove the financial penalty. However, the Commission denied CMP's request to do so effective September 1, 2021, instead terminating the penalty effective as of the date of the order. In doing so, the Commission expressed concerns similar to those presented by the OPA, regarding CMP's continuing performance and its commitment to improving service.

PUC Continues to Investigate Central Maine Power Company Management Issues, Docket Nos. 2021-00303, 2022-00038

In response to the deficiencies with the management performance identified in CMP's most recent rate case, in addition to the financial adjustment described above, the PUC ordered that a management audit of CMP be conducted. The results of the audit, prepared for the PUC by Liberty Consulting were issued in a July 12, 2021 report. The report identified many deficiencies in the company's management structure, and in services provided by CMP's parent and affiliates and found that these deficiencies have affected the quality and cost of service to its customers. The PUC required that CMP provide a response to the report, which it did on November 30, 2021 with a document that it identified as its Performance Improvement Plan.

In its comment, the OPA agreed with the findings of the audit, in particular that lack of engagement by management of CMP's corporate parent on customer related issues facing CMP customers and its excessive focus on short term earnings targets had contributed to significant failures by the company in performing its core utility service functions, notably its flawed billing system implementation.

Following its review of CMP's filing and the OPA's comments, the PUC opened a further investigation into how CMP and its customers are affected by decisions made at the CMP corporate parent level about earnings, capital budgeting, and planning. This investigation is ongoing.

OPA Works to Ensure Beneficial Electrification Does Not Harm Ratepayers, Docket Nos. 2021-00198 and 2021-00325

In late 2021, the Public Utilities Commission opened an investigation into potential changes to utility rates to promote state policies encouraging beneficial electrification. Beneficial electrification is a term describing an increased use of electricity to reduce the consumption of fossil fuels, including electric vehicles (EV), heat pumps, and energy storage technologies. Expanding the use of electricity in these areas through the deployment of new technologies while simultaneously increasing the use of renewable and other carbon free sources to meet electric demand has a significant potential to reduce the carbon intensity of the State's overall energy consumption.

At the request of the PUC, both CMP and Versant Power proposed special rates for electric vehicles and electric heat pumps. Following these filings, the PUC Staff circulated its own proposal.

In its comments and in negotiations, the OPA emphasized the need to design such rates in a manner that strongly encourages customers to move their electric consumption away from critical peak high-cost periods. To the extent that beneficial electrification results in additional consumption at peak times, it will increase the need to construct costly new transmission and distribution facilities, for which all customers will be required to pay. While many new facilities are likely to be needed under any circumstance, we need to take reasonable steps now to ensure that unnecessary construction and related utility rate increases are avoided.

In July 2022, the OPA and other interested parties reached settlements with CMP and Versant Power regarding proposed rates. The rates to be offered by each of these utilities are slightly different. They are all designed, however, to provide discounts to encourage adoption of these technologies.

Because of the concerns expressed by the OPA that discounts could encourage use in a manner that could increase utility costs, both settlements include provisions that provide for the updating of these rates in the future in a manner intended to shift consumption away from peak demand periods. This issue is expected to be revisited in CMP's upcoming rate case.

OPA Reaches Settlement to Lower Rates in Annual T&D Utility Rate Adjustment Filings, Docket Nos. 2022-00041, 2022-00042, 2022-00102

In early 2022, CMP and Versant Power made their respective annual rate adjustment. These filings request recovery of the cost of long-term power purchase contracts with renewable generators to meet public policy goals and, in the case of CMP, to provide recovery of a variety of other expenses that CMP is allowed to reconcile, notably storm restoration costs above defined thresholds.

Because of recent increases in the price of wholesale power in regional markets, both utilities are receiving sufficient revenues from the sale of the power from renewable generators with whom they have contracted, that they're able to more than offset other cost increases. Through negotiations, both utilities agreed to flow back much of these revenues as quickly as possible. The impact of all the changes will be a decrease in delivery rates for CMP residential customers of approximately 5.6%. For residential customers of Versant Power, there will be a decrease in delivery rates in the Bangor Hydro District of 8.1% and a decrease in the Maine Public District of 1.2%. All these rate changes went into effect on July 1.

PUC Tightens Rules Governing Competitive Electricity Providers, Docket No. 2021-00396

On January 6, 2022, the PUC initiated rulemaking to conform Chapter 305 to recent legislative changes regarding Competitive Electricity Providers (CEPs), the door-to-door marketing of retail energy supply, and the registration of third-party sales agents. These legislative changes were the result of a bill originally introduced by the OPA to address various aggressive sales practices engaged in by some CEPs. A final rule was adopted by the PUC on July 27, 2022.

OPA Objected to CMP's Proposal to Use Ratepayer Funds to Renovate Office Building, Docket No. 2022-00010

CMP requested PUC approval to renovate an office building, part of which would be leased to a non-utility co-tenant. CMP proposes spending \$5.7 million to make the space ready for its tenant and seeks to include this cost in rates when it next seeks a rate increase (crediting any future revenue from the lease to the revenue requirement.) The OPA objected to including the renovation costs in rates, arguing that ratepayers should not be put at risk in the event a tenant fails to pay rent or that the cost of the project could exceed the budget. The PUC ordered that CMP was not required to establish or use an affiliate for the purposes of the proposed lease but required CMP to separately track all costs and revenues associated with this transaction, including tenant improvement costs, costs to move CMP's staff to "new locations in the building," capital investments in the CMP portion of the building, any building operating expenses, as well as lease revenues received. The decision of whether the costs (and any revenues) will be applied to customers will be decided in the next rate case.

PUC proposes minimum service standards for T&D utilities, Docket No. 2022-00052

The PUC proposed amendments to the Electric Transmission and Distribution (T&D) Utility Service Standards. The proposed amendments include substantial modifications intended to better measure and motivate improved performance in the areas of service quality and customer service, as well as for other aspects of the T&D utilities' performance. The OPA filed comments on the proposed rule and participated in a public hearing. The final order was issued in July 2022, where the Commission incorporated several of the OPA's suggestions including not providing positive incentives for the utilities to meet the minimum standards required by law.

Request for Approval of a Waiver of Chapter 815 Section 4, Pertaining to Central Maine Power and Versant Power, Docket No. 2022-00006

On January 6, 2022, CMP and Versant Power filed a request for a waiver of certain privacy requirements in order to share customer information with Lawrence Berkeley National Laboratories (LBNL) for purposes of tracking and analyzing solar adoption. The OPA is generally supportive of the work being done by LBNL related to this waiver request, as it advances Maine's achievement of its renewable energy goals. The OPA reviewed the proposed non-disclosure agreement (NDA) filed by CMP that LBNL will be expected to sign and requested changes to clarify the privacy protections contained therein. The OPA also reviewed Versant's proposed NDA. The final order granting the waiver was signed in May 2022.

Request for Approval of Long-Term Contract Pertaining to New England Aqua Ventus, Docket No. 2022-00100

In 2021, the Legislature passed "An Act to Encourage Research to Support the Maine Offshore Wind Industry," P.L. 2021, Chapter 327. The Act directs the parties to "determine the lowest reasonable cost to ratepayers, that is sufficient to enable the financing, construction and operation of the research array." Pine Tree Offshore Wind, LLC, an affiliate company of New England Aqua Ventus, LLC (collectively "NEAV"), filed a petition requesting the PUC approve a long-term contract with the offshore wind project. The OPA intervened to represent the interests of ratepayers. The OPA hired an expert consultant to analyze the wind project contract to assess the cost impact to consumers. The case is currently in the discovery phase as PUC staff, the OPA, and other parties review information about the proposed project.

Request for Approval of An Advisory Ruling Pertaining to Versant Power, Docket No. 2022-00230

Versant Power requested the Public Utilities Commission issue an advisory ruling regarding the interconnection of certain Distributed Generation (DG) projects, usually solar arrays. The OPA is closely following the request as it relates to the allocation of costs to ratepayers. When certain projects split into two to avoid cost sharing requirements under PUC Rules, there's a question about which entity should pay for system upgrades. If system upgrades were needed to accommodate the one large project, those upgrades remain necessary to accommodate the two smaller projects because in combination they continue to have the same system impact as the original single project. Versant is asking the Commission to clarify its earlier rulings about which entity is responsible for these upgrade costs.

PUC Initiated Inquiry into Competitive Procurement Methods of Transmission and Distribution Utilities, Docket No. 2022-00189

During its 2022 session, the Legislature passed "An Act Regarding Utility Accountability and Grid Planning for Maine's Clean Energy Future (P.L. 2021, ch. 702). The Act requires the PUC to assess the use of competitive procurement methods for purchases by utilities of

specific goods and services that could impose significant costs to ratepayers. The OPA intervened to review utility purchasing practices and advocate for practices which drive down the rate impacts on consumers.

Investigation Regarding Management & Sale of Transmission & Distribution Supply Portfolios, Docket No. 2022-00221

The PUC opened the proceeding to investigate whether the current approach of selling the output from certain generators within utility service territories is providing the best value to customers. The OPA intervened to assess whether the current rules result in the most value for ratepayers and to propose or support alternatives. Under various state energy programs, utilities are required to purchase the output of certain generators located in their service territories. Commission rules include a bidding process for the sale of the associated capacity and energy.

NONWIRES ALTERNATIVES

In 2019, the legislature enacted LD 1181 “An Act to Reduce Electricity Costs through Nonwires Alternatives,” as PL 2019, ch.298. The law directs the OPA to contract with an expert in electrical system design, referred to as the Nonwires Alternatives (NWA) coordinator, to review utility proposals for significant transmission and distribution investments. The OPA selected DNV as the NWA coordinator through a competitive process in December 2019. DNV’s power system planning experts provide advisory solutions for transmission and distribution development and investment. DNV and OPA, in cooperation with Efficiency Maine Trust (EMT), analyze utility wire projects to determine if reliability can be met at a lower cost using NWAs.

Specifically, DNV performs a detailed technical review of CMP’s and Versant’s Annual Planning Studies to identify which projects are most likely to support an NWA. For 2020, DNV screened 133 projects, which requires an analysis of estimated and incurred project costs, proposed in-service and construction dates, and NWA exemption criteria. DNV also reviews the utility data for overall completeness of the project list, makes findings as to incomplete data provided for certain projects, and analyzes the utility’s methodology for arriving at its proposal. After this initial screening, DNV conducts an in-depth review of identified projects for NWA possibilities.

Brunswick/Topsham Nonwires Alternative Project Approved

This year, Maine began implementing its first Nonwires Alternative project under the 2019 law, “An Act to Reduce Electricity Costs through Nonwires Alternatives” (The NWA Act). The OPA and Efficiency Maine Trust (EMT) reached an agreement with CMP to use a battery system and energy efficiency in place of a power line in the Brunswick/Topsham area (identified by CMP as “Section 31”). The Public Utilities Commission approved the

agreement, (Docket No 2019-00309), which is projected to save ratepayers \$8.5 million over the lifetime of the project.

To reduce costs as much as possible, the NWA Act directs the OPA to work with an expert in electrical system design, the NWA Coordinator, to review utility projects to find out if reliability can be met at a lower cost. EMT looks at ways customers can use less electricity, which reduces the impact on the wires. The NWA Coordinator analyses all the ways to reduce system stress on high use days: Distributed Energy Resources (DER) such as new solar and wind projects, backup generators, energy efficiency investments, plus better technology to know when and how much power is needed. All this information is brought together to find the least costly method of meeting these demands on the electric system.

Utilities traditionally base decisions on top down systemwide forecasts, making large investments with an expectation that growth eventually will catch up. The NWA research develops bottom-up forecasts, looking at customer specific information and generator data so that investments are made as needed to avoid the risk of overbuilding. These two forecasts need to match up to plan cost effectively.

PUC Rejects Knox County Nonwires Alternative Project

The PUC did not accept the NWA Coordinator's recommendation regarding the Knox County transmission line expansion proposed by CMP. (Docket 2011-00138). The PUC approved CMP's request to rebuild and expand 21.7 miles of CMP's transmission system (identified by CMP as "Section 80"). This project is estimated by CMP to cost over \$63M, with 9% paid by Maine ratepayers. When the NWA Coordinator analyzed the system data, it did not find the reliability violations predicted by CMP's system model. In its analysis, the NWA Coordinator used the most up-to-date data available, plus new information not modeled by CMP. This included more accurate load data, existing back up generation, and new information on generator projects coming online in the Midcoast area.

With the more accurate data, the NWA Coordinator determined that a much smaller investment of approximately \$7M, with an initial \$2.25M investment, could stabilize the area. The NWA Coordinator found that the reliability violations predicted for Section 80 would not occur with the addition of more generation. The NWA stabilizing investment would have allowed time to develop better estimates of the impact of new heat pumps and electric vehicles. Short term investments also allow new technology solutions such as battery storage to become less expensive and more available to offset the need for large transmission investments. The NWA Coordinator concluded the system can be managed in the near term without a bigger transmission line. The PUC did not accept this finding.

Ultimately the decision came down to a difference of opinion between electrical engineers about what the region needed. The OPA argued that DER such as new solar power projects, temporary diesel generators and smaller system upgrades can meet the need reliably at a fraction of the cost. CMP argued that the traditional full line expansion was the best solution, reducing the stress on the electric grid during high use days, though it does so at a

much greater cost compared with the NWA proposal. The PUC held that CMP's bigger, more expensive, transmission line project will meet the reliability need. It found that the cost impact on Maine is not much more than the NWA solution, as more than 90% of the cost of the wires solution is paid by ratepayers from other New England states, while under current rules, the entire cost of the NWA alternative solution is borne by Maine ratepayers.

Positive Gains from the NWA Act

There are many positive gains taking place due to passage of the NWA Act. The NWA investigation of utility system planning data makes sure the data are accurate before they are included in planning forecasts. The impact of DER is now included in system planning forecasts, bringing the benefits of these projects into utility forecasts. The NWA Coordinator strengthens utility system planning as parties must identify the applicable reliability standards and target each project to meet these standards before ratepayers are committed to paying millions of dollars for system expansions.

The NWA Coordinator is continuing to research and recommend to the PUC less expensive alternatives to meet Maine's electric system needs. Going forward, the OPA is recommending targeting data collection investments to improve the NWA process. The OPA seeks to have the NWA analysis take place sooner, so that alternatives are analyzed before the utility commits to a particular outcome. Using NWA planning tools creates better forecasts, reduces the need for fossil fuel, adds zero emission power and battery storage options to the forecasts, and saves money for ratepayers.

[OTHER ELECTRICITY CASES](#)

Request for Approval of Terms and Conditions Related to Advanced Meter Opt-Out Program Pertaining to Versant Power, Docket No. 2021-00184

Commission Initiated Inquiry into Power-To-Fuel Pilot Program, Docket No. 2021-00208

Request for Approval of a Rate Change - 307 (10/18/21) Pertaining to Central Maine Power Company, Docket No. 2021-00275

Request for Approval of Terms and Conditions of Section 60 (10/1/21), Docket No. 2021-00277

Request for Approval of an Advisory Ruling Re Capacity Buyout Provision for Tariff Rate Net Energy Billing Agreements, Docket No. 2021-00282

PUC Inquiry into Billing & Metering Capabilities, Docket No. 2021-00313

Eastern Maine Electric Cooperative, Request for Approval of Tariff Revision for Temporary Heat Pump Rebate Program, Docket No. 2021-00347

Versant Power, Request for Approval of Terms & Conditions - Section 42 (11/26/21), Docket No. 2021-00351

PUC Initiated Investigation of Rate Treatment of NEB Program Costs, Docket No. 2021-00360

CMP & Versant Request for Proposals for Renewable Energy Generation and Transmission Projects Pursuant to The Northern Maine Renewable Energy Development Program, Docket No. 2021-00369

PUC Initiated Inquiry for Statewide On-Line Energy Data Platform, Docket No. 2021-00378

Summary Investigation of Litigation Involving Avangrid Networks, Inc And Avangrid, Inc., Docket No. 2021-00391

Request for Approval of Rate Change - 3502 Pertaining to Isle-Au-Haut Electric Power Company, Docket No. 2021-00401

PUC Initiated Investigation to Establish Assessment and Apportionment Amounts for Low-Income Assistance Plan and Assessment Amounts for Oxygen Pump and Ventilator Programs Pursuant to Chapter 314, Docket No. 2022-00037

PUC Determination of EMT Electric Procurement Funding Cap for Fifth Triennial Plan FY 2023-2025, Docket No. 2022-00040

PUC Initiated Inquiry into IREC Report and Possible Amendments to Chapter 324, Small Generator Interconnection Procedures, Docket No. 2022-00071

Request for Advisory Ruling Chapter 659 (LD 634) Pertaining to Maine Renewable Energy Association, Docket No. 2022-00128

Request for Approval of Miscellaneous Pertaining to Central Maine Power Company, Docket No. 2022-00158

PUC Initiated Investigation into Stranded Cost Rate Design, Docket No. 2022-00160

Versant Power, Request for Approval of Tariff Revision (8/12/22), Docket No. 2022-00226

FERC Docket No. AD22-5-000 Notice of Inquiry Regarding Implementation of Dynamic Line Ratings

FERC Docket No. ER09-938-000, Central Maine Power Company, Annual 2020 Informational Filing - Annual Update to Formula Transmission Rates under ER09-938

FERC Docket No. ER20-1977, Informational Filing of Versant Power Setting Forth Charges for Transmission Service for Maine Public District

FERC Docket No. RM21-17-000, Advanced Notice of Proposed Rulemaking Building for the Future Through Electric Regional Transmission Planning and Cost Allocation and Generator Interconnection

FERC Docket No. CP16-9, Re Algonquin Gas Transmission, LLC and Maritimes & Northeast Pipeline, L.L.C. (Request for Rehearing on Weymouth Compressor Station)

NATURAL GAS

OPA successfully opposes Bangor Natural Gas Request for a \$2.9 million Rate Change, Docket No. 2021-00024

Bangor Natural Gas filed a petition seeking a rate increase in March 2021, after the expected expiration of the Company's alternative rate plan. Bangor Gas had been operating under a long-term alternative rate plan for setting its distribution rates. The OPA disputed the need for an increase in rates. The OPA raised issues around the Company's rate base, recommended reductions in revenue requirement, recommended a lower cost of equity, and disagreed with the proposed Volume Balancing Adjustment. Following discovery, hearing, and briefing in the case, Bangor Gas withdrew its request. BNG had originally requested \$2.9 million in their petition of March 31, 2021 and withdrew its petition receiving no increase on December 17, 2021.

Approval of Tariff for Low Income Program Revision (1/27/22) Pertaining to Summit Natural Gas of Maine, INC., Docket No. 2021-00090

On April 20, 2021, Summit filed revised tariffs to implement a Low-Income Program. On February 9, 2022, the PUC issued an order approving SNG's new low-income assistance program, which will offer a 28% discount on non-commodity charges to customers who are enrolled in the Low-Income Home Energy Assistance Program (LIHEAP). It will provide immediate aid to low-income customers during the current winter heating period that reflects the existing high natural gas market prices.

OPA Opposes Summit Natural Gas Request for a Waiver of a Federal Safety Rule, Docket No. 2021-00112

Summit requested a waiver of a federal pipeline safety regulation in order to raise the pressure in some of its service lines. The OPA opposed the waiver because Summit had not provided any documentation from the pipe manufacturer assuring that the lines can be safely operated as requested and had no plans to test the system at the increased system pressure. Although the waiver was granted by the PUC, the US Department of Transportation's Pipeline and Hazardous Materials Safety Administration (PHMSA) submitted written questions to the PUC concerning material, design, operational integrity, and safety issues raised by the waiver request. PHMSA followed up with a second letter to the PUC saying that unless the additional information is received for PHMSA to complete its review of the waiver request, PHMSA objects to the waiver.

OPA participates in PUC investigation into the expiration of Bangor Natural Gas Alternative Rate Plan, Docket No. 2022-00032

Following BNG's withdrawal of its petition in Docket 2021-00024, the PUC initiated an investigation into the effects the expiration of its alternative rate plan. The Commission requested briefing on certain questions, including BNG's rates and setting of cost of gas rate practices. The OPA submitted comments agreeing that the PUC had authority to allow

BNG to continue to use a monthly gas of gas adjustment method but adding additional recommendations to protect customer notice and ability to participate in the process.

Agreement protects ratepayers from additional costs in PUC Investigation of the Inclusion by Northern Utilities CIS implementation costs in rates, Docket No. 2021-00022

On March 9, 2021, the PUC opened an investigation into what amount of costs related to Northern Utilities (Northern) implementation of a new customer information system should be allowed in rates. This issue was initially raised in Northern's 2019 request for a rate increase, where only a portion of the were allowed because the Commission found Northern did not show the investment was prudent. After an audit by the Liberty Consulting Group and approximately a year of proceedings and additional information provided by Northern, the case was resolved by stipulation signed in January 2022, that allowed Northern to collect the remaining expended costs in its rates beginning in November 2022, but permanently forgo other expenses associated with the investigation.

OPA questions Summit Natural Gas of Maine's requested Alternative Rate Plan, Docket No. 2022-00025

On March 31, 2022, Summit Natural Gas of Maine, Inc. filed a request for approval of an alternative rate plan that would result in substantially increased rates for residential customers. The OPA opposes the requested increase and has requested information from the Company and questioned its witnesses on its proposed rate plan. OPA witnesses testifying in this matter are providing analyses seeking to protect ratepayers' interests. The case is set to be decided by the end of 2022.

PUC agrees with OPA on method of calculation in Maine Natural Gas Annual Review of Cost of Gas Activities, Docket No. 2021-00163

On June 15, 2021, Maine Natural Gas (MNG) made its initial cost of gas filing, followed by a July 1, 2021 Atlantic Bridge data filing and an updated cost of gas filing on July 15, 2021. MNG proposed a Demand Cost of Gas rate of \$0.2460 per therm and a Reconciliation Rate of \$0.0133 per therm for recovery of actual gas purchase costs. The OPA disputed the Company's manner of calculating the Demand Cost, arguing that the method would misrepresent the actual Atlantic Bridge charges that MNG is expected to incur and lack transparency to customers. The Commission agreed and ordered MNG instead to implement adjusted rates in its August 26, 2021 Order.

OPA seeks further process on imbalance penalties in Bangor Natural Gas Annual Cost of Gas, Docket No. 2021-00164

Bangor Natural Gas filed its annual cost of gas and reconciliation report on June 29, 2021. Following a technical conference and comments by the OPA, the Company's Lost and Unaccounted for (LAUF) gas rate was approved by the Commission on October 13, 2021, but additional matters were held over for exploration. The OPA asserted that BNG should

do more to avoid pipeline imbalance penalties that are potentially passed through Sales customers in the Cost of Gas rate. The OPA argued that the allocation of these penalties should also be the subject of Commission examination. By Order of April 14, 2022, the Commission directed BNG to provide an analysis of its current long imbalance terms and conditions and practices and whether it could take additional steps to minimize imbalance penalties.

OPA argues that Summit Natural Gas of Maine, Inc. can achieve more cost savings for customers in its Annual Cost of Gas Rate Adjustment, Docket No. 2021-00186

On July 15, 2021, Summit Natural Gas of Maine, Inc. filed a request for approval of a proposed cost of gas rate of \$0.79 per therm. The OPA raised concerns about past management decisions resulting in higher costs for customers. The Commission agreed with certain OPA's concerns and ordered an investigation to be opened into the Company's treatment of transportation customer imbalances.

OPA asserts that PUC should not approve Northern Utilities decision to extend to 15 year its contract with Maritimes & Northeast Pipeline, Docket No. 2021-00249

On August 16, 2021, Northern Utilities filed its request for approval of its winter cost of gas rates proposing a rate for residential customers of \$0.8659 per therm and changes to its tariff to include a Timing Differential Factor to minimize under- and over-collections. The OPA recommended against allowance of the Timing Differential Factor of \$1.1 million adjustment to the cost of gas estimate, finding it was not necessary or reasonable. In response, Northern removed certain TDF costs and additional bad debt expense. These adjustments partially offset the higher NYMEX forecast update that had resulted in a higher Cost of Gas Factor adjustment rate. The PUC ordered additional process to consider the Company's decision to extend, for a term of 15 years, its contract with Maritimes & Northeast Pipeline. The OPA vigorously opposed the finding that the Company had proven its decision was reasonable, but the PUC disagreed in its Order of April 29, 2022.

PUC approves Northern Utilities Rate Adjustment Proposal Smoothing Cost of Gas Rates for Customers, Docket No. 2022-00044

In Northern's Request for Approval of its Summer cost of gas rates filed on February 15, 2022, it proposed to update its terms and conditions to allow monthly adjustment of its cost of gas factor within a certain band approved by the PUC to more immediately adjust the rate and smooth its impact on customer bills and reduce the likelihood of under- and over-collection but maintain procedural protections for customers. The OPA agreed that the mechanism was statutorily appropriate but urged a more restrictive model than the one proposed by Northern. By Order of June 9, 2022, the Commission approved the Summer cost of gas rates and the CGF Rate Adjustment Proposal as modified and adopted the 5 percent threshold for any adjustment.

OTHER NATURAL GAS CASES

FERC RP21-986-000 Granite State Gas Transmission, Inc.

FERC RP22-1070-000 Granite State Gas Transmission, Inc.

PUC Initiated Investigation of Gas Resource Procurement and Management Practices pertaining to Bangor Natural Gas, Maine Natural Gas and Summit Natural Gas, Docket No. 2020-00311

Summit Natural Gas of Maine PUC Initiated Investigation into the Treatment of Transportation Customer Imbalances, Docket No. 2021-00333

Request for Approval of Tariff Amendment Sheet 57- Negotiated Service Pertaining to Bangor Natural Gas Company, Docket No. 2022-00006

Request for Approval of New Proposed Tariff Sheets 562 and 63-Renewable Natural Gas Standards Pertaining to Bangor Natural Gas Company, Docket No. 2022-00011

Request for Approval of 2021 Summer Cost of Gas Rates Pertaining to Northern Utilities, Inc. D/B/A/ Util, Docket No. 2021-00032

Request for Approval of Targeted Infrastructure Replacement Adjustment Rate and 2021 Cast Iron Replacement Program Reporting Pertaining to Northern Utilities, Inc. D/B/A Util, Docket No. 2022-00055

Request for Approval of Annual Cost of Gas Rate Adjustment Pertaining to Summit Natural Gas of Maine, Inc., Docket No. 2022-00085

Request for Approval of an Affiliated Interest Transaction with Granite State Gas Transmission, Inc. Pertaining to Northern Utilities, Inc., D/B/A Util, Docket No. 2022-00097

PUC Natural Gas Utility System Expansion Reports, Docket No. 2022-00114

Request for Approval of Reservation Costs Associated with Westbrook Xpress Pertaining to Bangor Natural Gas Company, Docket No. 2022-00119

Request for Approval of Cost Gas Filings Pertaining to Maine Natural Gas Corporation, Docket No. 2022-00167

Request for Approval of Annual Review of Cost of Gas Activities Report for May 1, 2021- April 30, 2022 Pertaining to Bangor Natural Gas Company, Docket No. 2022-00187

Request for Approval of Annual COG Rate Adjustment (2022-23) Pertaining to Summit Natural Gas of Maine, Inc., Docket No. 2022-00214

Maine Natural Gas Corporation (MNG) Requested Rate Changes, Docket No. 2022-00049

TELECOMMUNICATIONS

ConnectMaine Authority

Over the past year, staff from the Office of the Public Advocate attended the monthly meetings of the ConnectMaine Authority Board, observing and participating on relevant topics. The ConnectMaine Authority has been tasked with promoting and facilitating the expansion of broadband access to businesses and residences throughout Maine. In recent months, the ConnectMaine Authority has signed an M.O.U. with the Maine Connectivity Authority (MCA) that will allow MCA to manage many of the ConnectMaine functions.

Maine Connectivity Authority

The Maine Connectivity Authority (MCA) was established in 2021 as a quasi-government agency led by a board appointed by the Governor and charged with moving forward universal access to low-cost broadband throughout Maine. Staff from the Office of the Public Advocate attended the monthly meetings of the MCA over the past year, observing the development of the organization. In recent months, the MCA has hired permanent staff and signed an M.O.U. with the ConnectMaine Authority as noted above. The MCA is implementing a strategy to deliver \$150 million in grants and incentives to invest in broadband infrastructure, focusing on underserved areas in Maine.

OPA negotiates benefits for low-income telecom customers, Docket No. 2021-00354

On October 29, 2021, Unitel, Inc. sought approval for the acquisition of its stock by Direct Communications Rockland, Inc. This case was resolved by a Stipulation approved by the PUC on January 27, 2022. The agreement negotiated by the OPA provided that Unitel would refrain from requesting rate increases on provider of last resort telephone service for two years, continued local management, low-income broadband assistance, Lifeline program support and involvement in charitable community engagement.

OTHER TELECOMMUNICATIONS CASES

OPA participates in PUC proceedings on investigation into Verizon's numbering practices, Docket No. 2021-00212

Request for Approval of a Waiver Pertaining to MidMaine Telecom, LLC, Saco River Telephone, LLC, Pine Tree Telephone, LLC, Docket No. 2021-00316

PUC Initiated Investigation Regarding 2018 SQI Results Pertaining to Consolidated Communication, Docket No. 2018-00319

WATER**Moscow Water District Customers No Longer Facing Systemwide Disconnection, Docket No. 2022-00084**

In March 2022, an investigation was opened into a dispute between Moscow WD and Bingham WD regarding what the PUC described as “an apparent significant overdue amount” owed by Moscow to Bingham for water supplied by Bingham to Moscow. Bingham scheduled disconnection of Moscow’s entire system on May 17, 2022, leaving Moscow’s approximately 150 customers without water. On May 10, 2022 the OPA filed comments to say that the ratepayers in both Districts had done nothing wrong, and that there should be no disruption of service to Moscow’s customers, nor should ratepayers be financially harmed by the situation. The OPA asked the PUC to give the parties a reasonable amount of time to resolve this dispute. On June 28, 2022, the PUC closed its investigation.

OPA Opposes Maine Water Company’s Proposed Rate Increase, Docket Nos. 2022-00056, 57, 58, 59

In March 2022, the MWC requested PUC approval to increase its rates, ranging between 3.4%-14.47% depending on customer class and usage. In May 2022, the PUC held the first technical conference. The OPA argues that MWC’s proposed expenses for investments in equipment, employment compensation and benefits, and money paid to MWC’s parent company are too high, and that MWC has not justified such a significant increase.

The OPA unsuccessfully argued that MWC’s notice to ratepayers of the proposed rate increase should be sent by first-class mail and should not contain self-serving promotional language and graphics that obscure the message of how customers can participate in the PUC case. After an appeal of this decision was denied, the OPA requested rulemaking that the rules for notifying customers of proposed rate increases be changed, so that the PUC writes the notice and that the notices are always mailed first-class (Docket No. 2022-00120.) The OPA asked that this be treated as an emergency so that the change would be made quickly before other utilities make new requests for rate increases. The PUC denied this request, saying that there was no immediate threat to customers and that it did not want to take on the role of drafting and editing the notices. The OPA continues to push for fair notice in all rate cases.

The OPA also argued unsuccessfully that to satisfy Maine’s Freedom of Access laws, MWC should be required to include redacted versions of all confidential documents they file. The OPA has appealed to the PUC, asking to amend the Staff’s order under which MWC makes confidential filings to expressly require that public versions of confidential documents are made available.

OPA Participates in PUC's Update to the Rules on Service Standards for Water Utilities, Docket No. 2021-00334

The OPA submitted comments and participated in a public hearing on the PUC's proposed amendments to its Chapter 62 of its Rules. These rules, which have remained unchanged for 35 years, set the service standards that must be followed by all water utilities. The PUC proposes to add provisions requiring Maine's water utilities to respond more effectively to water supply emergencies, better reflect modern metering technology, and make changes to sections which cover service lines, seasonal service, service interruptions, low pressure areas, and conditions of service.

Anson & Madison Water District under investigation for mismanagement, Docket No. 2022-00233

After receiving the OPA's letter describing its concern for the impact on customers of allegations in a federal lawsuit claiming the District was unable to access its administrative systems, the PUC opened a formal investigation. The District reported that there have been errors in billing and late fees, that they needed to perform manual meter reads, and that they are still reviewing the financial information to which they only recently have gained access.

Inquiry into Consumer-Owned Water Utility Exemptions from Certain Notice Requirements, Docket No. 2021-00327

On October 18, 2021, the PUC opened an inquiry into the possible exemption of all consumer-owned water utilities from certain requirements, including whether they should continue to be required to publish notice of proposed rate increases in the newspaper, and whether there are alternatives to print that would provide more effective public notice but at a lower cost to utilities. On November 15, 2021, the OPA filed comments arguing that removing oversight creates a risk of harm to customers, that a small number of ratepayers may be required to absorb a disproportionate cost related to the publication requirement in comparison to the overall proposed rate increase, and that the size of the district and/or the size of the requested rate increase should be considered in selecting the notification method. The OPA stated, though, that it is imperative that all customers receive notice of proposed changes. On December 2, 2021 the PUC extended the deadline for comments to December 17, 2021 but has not yet indicated whether further process will be scheduled.

Maine Water Company Request for Approval of Rate Increase for the Biddeford & Saco Division, Docket No. 2021-00289

MWC sought a rate increase to pay for its new treatment plant in Saco to phase-in a rate increase, mostly due to construction of a new water treatment facility. The OPA provided an extensive review of the project costs. Ultimately, MWC agreed to reduce their requested increase by \$567,417.

OTHER WATER CASES

Request for Approval of Water Infrastructure Charge Request Pertaining to Fryeburg Water Company, Docket No. 2022-00161

PUC RULEMAKING

PUC Changes Customer Late Payment Charges, Docket No. 2021-00359

The PUC amended the Late Payment Charges, Interest Rates to be Paid on Customer Deposits, and Charges for Returned Checks Rule known as Chapter 870. The OPA actively fought to lower the late payment charge in this docket.

The changes are summarized in a recent Commission memo, “the adoption of a fixed percentage of 1% a month or 12% annually for the maximum late payment charge (this replaces the maximum interest charge based on the Prime Rate plus 800 basis points under the prior rule), and exempting customers who are adhering to the terms of a payment arrangement from late payment charges.” Basically, customer late payment charges will no longer fluctuate with the federal interest rate and are fixed at a lower rate than in recent years. Additionally, the PUC made clear that customers actively engaged in a payment arrangement to pay down past balances should not be subject to the late payment charge.

PUC Opens Inquiry to Considers the Rules on Intervenor Funding, Docket No. 2022-00180

The Legislature recently passed LD 1980, which requires the PUC to rewrite the rules for how intervenors in PUC proceedings can apply for funding to cover the cost of participating in the proceeding. The OPA supported the passage of LD 2018 as an important step to making PUC proceedings more accessible to those with limited resources. Public participation encourages government accountability and participatory democracy.

PUC Opens Inquiry into Regulatory Proceeding Expense Rule, Docket No. 2022-00072

In this docket, the Commission opened an inquiry into amendments Chapter 85, the rule on regulatory proceeding expenses. The OPA submitted comments and the Public Advocate testified at the public hearing arguing that the rule should be repealed, allowing PUC precedents previously established to inform decisions rather than adding additional rule-based language that would have unintended consequences. The Commission disagreed with this point asserted by the OPA but did adopt other OPA recommendations including adding a standard waiver provision to the rule that would allow the Commission to waive certain requirements of the rule as warranted.

PUC Amends Gas Safety Rule, Docket No. 2022-00155

In this proceeding, the PUC proposed amendments to Chapter 420, Safety Standards for Natural Gas and Liquefied Natural Gas Facility Operators. The Commission proposed further changes to the process for operator response to encourage informal resolution of Notices of Probable Violation (NOPV). The OPA advocated for increased transparency of this process including creating a record of the violation and resolution that is publicly accessible. In response to the OPA's comments, the Commission proposed additional language that would address the OPA's concerns, by requiring information about the violation, investigation, and resolution be filed in the publicly accessible docket.

PUC Considers Amendments to Pole Attachment Rule, Docket No. 2021-000321

The PUC is considering proposed revisions to the Chapter 880 of the Commission's Rules covering pole attachments. CMP, Versant, and Consolidated Communications, the majority of the pole owners, are moving forward with establishing a pole attachment database to facilitate and coordinate pole attachments by third parties. The OPA, through comments and testimony at a public hearing, continues to advocate the position that the pole attachers who receive the benefit of this system must bear the costs of the database and its implementation. Electric and Provider of Last Resort customers who do not benefit by this new system should not be asked to cover any portion of the costs. The revisions to the rule remain outstanding, and the Commission is expected to take further action.

PUC Amends Rules for Notice Requirements During the Winter Disconnection Period, Docket No. 2021-00266

The Act to Protect Maine Electricity Customers from Threats of Disconnection in the Wintertime, P.L. 2021, Chapter 347, § 1 provided that T&D utilities could not send a disconnection notice during the winter period to a residential customer or make any reference to disconnection during that period, except under limited exceptions. On September 8, 2021, the PUC initiated rulemaking to update Chapter 815 of its Rules to recognize these restrictions. The OPA filed comments on the information to be included on customer notices including amount past due, and how customers are contacted. The OPA also urged the Commission to adopt rules that apply to both electric and gas utilities. The amended rules were issued in December 2021.

[FIND OUT MORE](#)

To learn more about any of the cases mentioned in this report, please visit the Public Utilities Commission's Case Management System (CMS). Make note of the docket number of the case of interest from this newsletter and enter it in the search feature on this page: <https://mpuc-cms.maine.gov/CQM.Public.WebUI/ExternalHome.aspx>.

LEGISLATIVE ADVOCACY

Public Advocate William Harwood, as well as representatives from the Office of the Public Advocate, attended public hearings and work sessions of the Joint Standing Committee on Energy, Utilities and Technology (EUT) during the Second Regular Session of the 130th Legislature. The OPA regularly appears before the EUT committee, presenting testimony during the public hearings and participating in work sessions and language review sessions.

As part of its mission, the OPA introduces legislation that assists us in our efforts to obtain the greatest benefits for the ratepayers of Maine. The OPA also actively participates during and after the legislative session in stakeholder groups which we believe greatly benefits the ratepayers of Maine. Ensuring the affordability of electric rates, rate relief for low-income households, reducing the burden on ratepayers as the State strives to meet renewable energy goals, and holding investor-owned utilities to higher standards of service are all important policy goals for the Office. The following list highlights of some of the more significant bills that will benefit utility ratepayers. More information can be found on our website at www.maine.gov/meopa/reports.

Governor's Utility Accountability Bill

This bill institutes a PUC report card program that assesses penalties if certain minimum service standards are not met by Maine's investor-owned utilities. It also institutes regular financial audits and benchmarking of CMP and Versant; strengthens the existing utility whistleblower statute; addresses the future impact on climate change; and outlines a process for forced divestiture of a utility's assets if the utility consistently fails to meet its obligations or becomes financially unable to serve.

The OPA believes that the consumer protections and the blueprint to modernize Maine's grid in this bill will ensure reliable service for Maine ratepayers for many years to come.

The bill, called for by Governor Mills, is LD 1959 (Public Law 2021, chapter 702) "An Act Regarding Utility Accountability and Grid Planning for Maine's Clean Energy Future."

Study of Maine's Retail Electricity Supply

LD 318 (Resolves 2021, chapter 164) requires the OPA to oversee a study of options for reforming Maine's retail electricity supply to achieve greater protections for customers. It requires examination of options relating to the State's standard offer system, to achieving the State's climate goals, and beneficial electrification. OPA has retained consultants Baldwin Consulting and Exeter Associates to help conduct the study and convened a stakeholder group to review possible recommendations for changes in statutes or rules. The stakeholder group members are:

Noel Bonam/Barb Alexander (AARP); Dan Burgess/Claire Swingle (Governor's Energy Office); Sue Clary (Central Maine Power); Marc Hanks (NRG); Lori Hemmerdinger (CN Brown, residential competitive electricity supplier); Steve Johnston (Versant Power); Jeff Jones (Maine Power, LLC); Ben Lucas (Maine Chamber); Sean Mahoney (Conservation Law Foundation); Mitch Tannenbaum (Public Utilities Commission)

Electric Ratepayer Advisory Council

The recently enacted LD 1913 (Public Law 2022, Chapter 623) created the Electric Ratepayer Advisory Council. The law directs the OPA to oversee the Council and to submit a report to the Joint Standing Committee on Energy, Utilities, and Technology in December of this year. The OPA vetted candidates for the seats on the Council and the Public Advocate has appointed the following members to the seats defined in statute:

Council Member:	Organization:	Title:
Bill Harwood	Office of the Public Advocate	Public Advocate
Dan Burgess	Governor's Energy Office	Director
Phil Bartlett	Public Utilities Commission	Chairman
Ian Burnes	Efficiency Maine Trust	Director of Strategic Initiatives
Erik Jorgensen	Maine State Housing Authority	Sr. Director Of Government Relations & Communications
Jess Maurer	Maine Council on Aging	Executive Director
Ann Danforth	Maine Equal Justice	Policy Advocate
Claire Berkowitz	Midcoast Maine Community Action	President/CEO
Amy Racine	Saco Falls Management	Director of Property Management
Linda Ball	Central Maine Power	V.P. Customer Service
Lisa Martin	Versant	Director of Strategy & Business Transformation
Amy Watson	Fox Island Electric Cooperative	CEO
Shawn Lovley	Pineland Farms Potato Co.	Plant Manager
Sharon Klein	University of Maine	Associate Professor
Tina Riley	Citizen	CMP Customer
John Fitzpatrick	Citizen	Versant Customer
Kim Brackett	Brackett's Market (Bath)	Owner
Reese Chavaree	Penobscot Nation	Community Services Coordinator

OPA is grateful to each of these individuals for volunteering to serve on the Council. The Council held its first meeting on June 27th and its second meeting on August 22nd. There was a presentation to the Council reviewing existing low-income assistance programs from the OPA's Consumer Advisor, Kiera Reardon and the PUC's Director of the Consumer

Assistance and Safety Division, Derek Davidson at the August meeting. The OPA has retained the services of Sage Consulting to assist the Council with developing recommendations to be submitted in the report to the Legislature. If you would like more information regarding the Council or access to the Council materials, please visit <https://www.maine.gov/mcopa/reports-and-testimony/council>

Repealing Sales Tax on Low-Income Ratepayers

The OPA was successful in urging the Legislature to pass LD 506 (Public Law 2021, chapter 713), “An Act to Reduce the Tax Burden on Low-income Electricity Customers.” As the price of electricity continues to rise, LD 506 removes the sales tax on high-usage, low-income electricity customers. This bill will help support low-income households, especially those who embraced the beneficial electrification initiatives put forth by the Legislature. The cost of this legislation is only \$140,000 of lost sales tax revenue, but it will relieve low-income households of at least part of their rising energy costs.

Reducing the Rate Impact of NEB Solar Program

LD 634 (Public Law 2021, chapter 659) makes several changes to the Net Energy Billing (NEB) program. Most important, it significantly reduces the ratepayer subsidy of new solar NEB solar projects by lowering the reimbursement rate for all projects for which construction has not commenced by September 1, 2022. All projects under construction by that date will be “grandfathered” to receive the full subsidy.

Study of Northern and Rural Energy

The Governor’s Energy Office (GEO) will now monitor factors that directly affect energy supply and costs in the service territory of the Northern Maine Independent System Administrator (NMISA) and in similar rural or geographically isolated municipalities in Maine. In consultation with the OPA and the PUC, the GEO will make recommendations to the Legislature by February 1, 2023, as stated in LD 682 (Resolves 2021, chapter 158).

Wood-Fired Combined Heat and Power Program

Under LD 1202 (Public Law 2021, chapter 604) projects that burn wood to generate electric heat and power for industrial purposes will qualify for PUC programs that require T&D utilities to purchase power from qualifying renewable sources.

Municipal Broadband Expansion via Water Utilities

LD 1894 (Public Law 2021, chapter 616) requires a consumer-owned water utility to register with the PUC before providing internet service to their customers. The bill also amends the Municipal Gigabit Broadband Network Access Fund.

Amending Intervenor Funding for Public Participation in PUC Proceedings

LD 2018 (Public Law 2021, chapter 736) improves intervenor funding for parties participating in proceedings at the Public Utilities Commission. The PUC will now provide funding to hire attorneys and experts by qualified participants before hearings begin, as opposed to reimbursing intervenors for expenses after proceedings have concluded.

PUC Involvement with Consumer-Owned Water Districts

Under LD 245 (Public Law 2021, chapter 711), the PUC may appoint a receiver to oversee the operations of a water district if the district lacks enough trustees to constitute a quorum. Any costs resulting from the appointment of a receiver may be recovered in the annual PUC assessment on all consumer-owned water utilities.

OTHER LEGISLATIVE ACTIVITY

Environmental Justice Workgroup

The Governor's Office of Policy Innovation and the Future (GOPIF) was directed by LD 1682 to apply equity in state actions/decision making through the adoption of a definition of environmental justice, frontline communities, and other terms as necessary. The OPA participated in a working group of public and state department stakeholders to gather data necessary for defining "environmental justice communities," and to identify state actions which may affect these communities.

Distributed Generation 2.0 Stakeholder Group

For the past two years, the OPA has attended the meetings of this working group. The Legislature directed the group to recommend changes to the Net Energy Billing statute from 2019. The Group continues to monitor the costs and benefits of the NEB program.

Achieving Maine's Climate Goals

There were many bills which addressed the Governor's climate goals and various renewable energy projects that the Office of the Public Advocate testified in support of throughout this past session. Achieving these goals is a priority of the Office. However, those policies must be crafted to not negatively affect the Maine ratepayer, especially those least able to afford an increase in their utility rates.

For more information or to read testimony presented by the Office of the Public Advocate to the Maine State Legislature, please visit our website:

<https://www.maine.gov/meopa/reports-and-testimony>

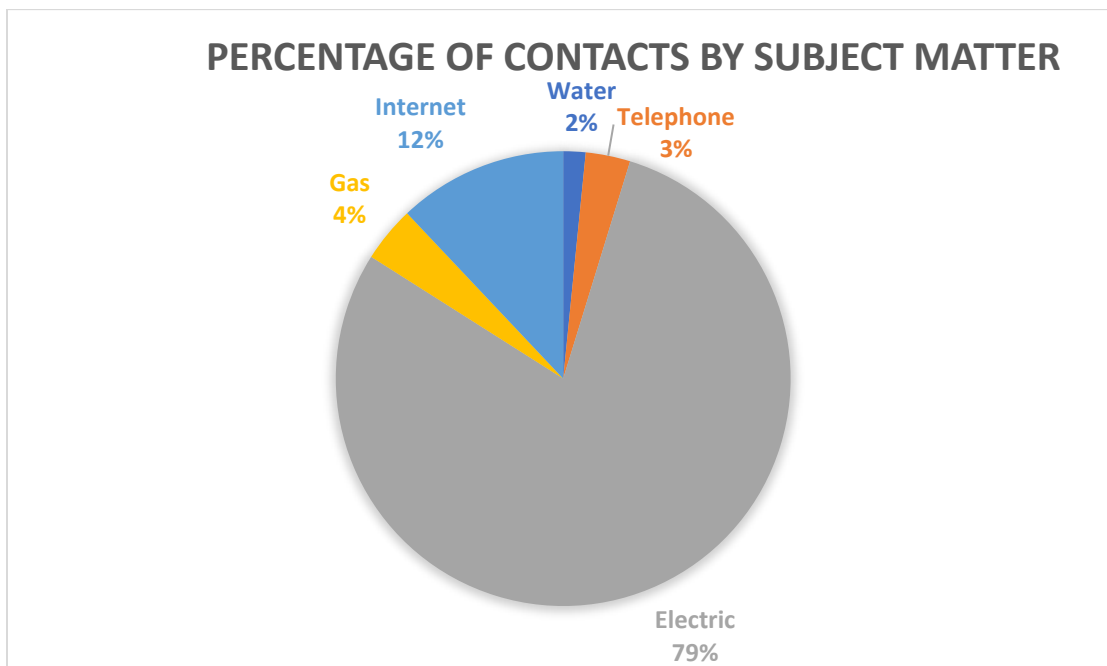
SUPPORT FOR UTILITY CUSTOMERS

Assisting Litigants

Cases before the Maine Public Utilities Commission are often a daunting prospect for concerned citizens wanting to express their opinions in a particular case. Assisting individuals is an ongoing process as there are frequently questions about next steps and proper format. Additionally, the Consumer Advisor serves as a resource for individuals participating before the Commission in cases beyond the formal 10-person complaint process. These individuals receive guidance on case process and templates and step-by-step direction on how to file within the online docketing system.

Responding to Customer Concerns

In the past year, the Consumer Advisor received and addressed numerous consumer calls, emails and in-person questions. These queries often require multiple follow-ups with the utility and the consumer before the issue is completely resolved. With the 83% increase in standard offer price, our office received an unprecedented influx of calls. We responded by hiring an additional employee to focus solely on returning calls. We returned over 1000 calls in four months, three times higher than our traditional annual call volume.



While the pandemic reduced the opportunities for the Consumer Advisor to serve as a resource at in-person events as detailed in years past, it highlighted the importance of accessibility through email and phone calls. The OPA serves an important role at public witness hearings and assists individuals by educating them on the process, answering questions about the case and providing written materials. The Consumer Advisor strives to create new templates to meet the changing needs of this virtual landscape.

Consumer Education

We continue to serve as a dynamic resource for customers interested in competitive electricity providers by updating the rate offerings monthly. This year saw the electricity world become even more confusing for residential customers with the influx of community solar offerings. In response to the demand, the Consumer Advisor generated a one-page handout to guide consumers through this new offering, developed a webpage specific to the topic and fielded several interviews to help educate the public about community solar. In an effort to create a live resource with practical information, a video was produced in-house and is shown on the website as well.

If you are interested in learning more about the work the OPA does on behalf of the Maine ratepayer, contact us at opa.admin@maine.gov to subscribe to our Monthly Highlights.

[Having trouble paying a utility bill?](#)

The Public Utilities Commission has a webpage to connect you to bill assistance resources. This list covers all utilities and is a great page to review if you are having trouble making ends meet:
<https://www.maine.gov/mpuc/consumer-assistance/programs>

RATEPAYER SAVINGS

Ratepayer savings from July 1, 2021 to June 30, 2022 attributable to the efforts of the Office of the Public Advocate (OPA):

FERC Docket No. ER09-938-000, Central Maine Power Company, Annual 2020 Informational Filing - Annual Update to Formula Transmission Rates

Central Maine Power's (CMP) annual increase to its transmission rates was decreased by \$300,000 to reflect the OPA's position regarding the treatment of the cost of curtailed cancelled projects.....**\$300,000.00**

Docket No. 2021-00318, Removal of CMP Financial Penalty

In this proceeding, the OPA argued that the PUC should deny CMP's request to lift the management penalty imposed on CMP in its most recent rate case. The PUC accepted the OPA's recommendation in part by delaying the lifting of the penalty, saving customers \$2.5 million **\$2,500,000.00**

Docket No. 2021-00024, Bangor Natural Gas Rate Request Withdrawn

In this proceeding, the OPA successfully opposed a rate increase request from Bangor Natural Gas Company. The OPA disputed the need for any rate increase and raised issues around many aspects of the filing, including the Company's rate base and revenue requirement. Following discovery, hearing and briefing in the case, Bangor Gas withdrew its request, saving customers \$2.9 million..... **\$2,900,000.00**

Docket No. 2019-00309, Brunswick/Topsham Nonwires Alternative

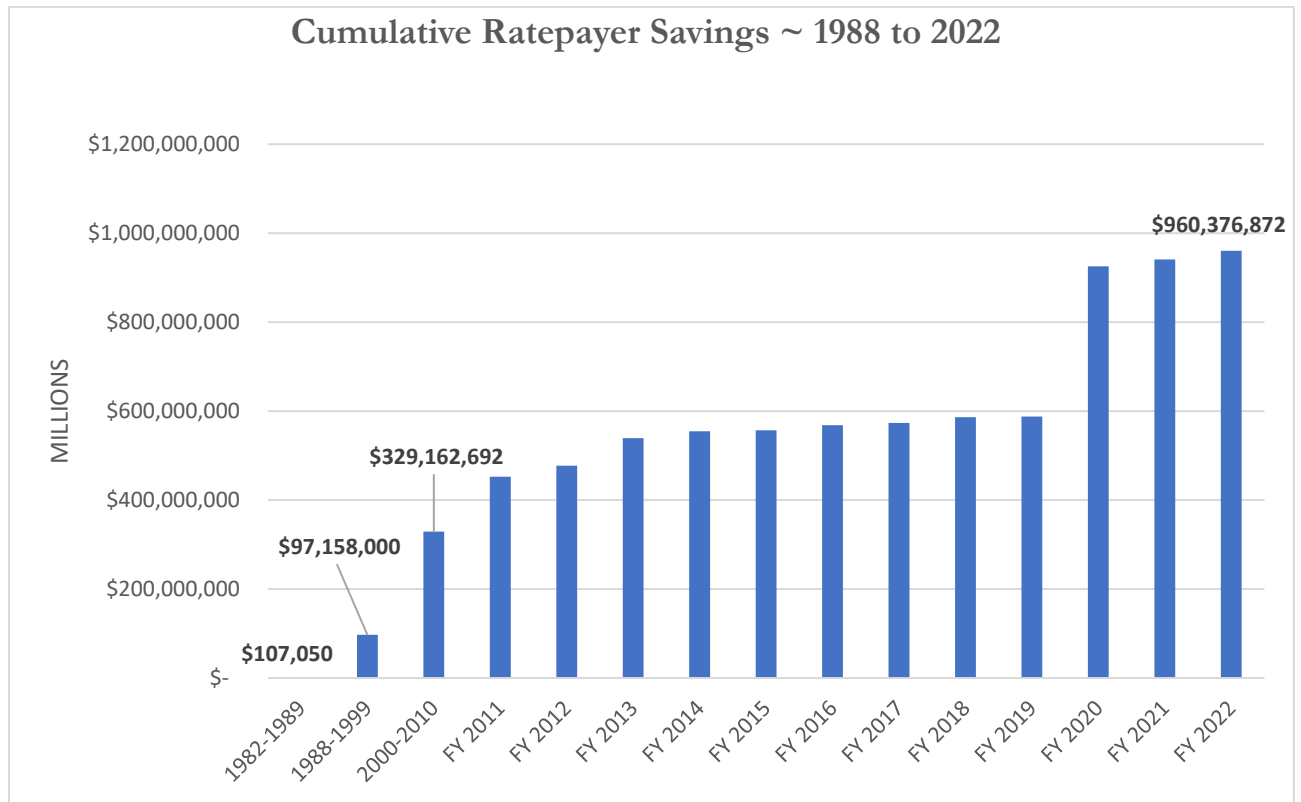
The NWA investigation in Docket No 2019-00309 resulted in a projected \$8.5 million of ratepayer savings over the lifetime of the project. The NWA Option removes a transmission line in Brunswick and Topsham, incorporates a battery energy storage system and makes other reliability upgrades to meet all system reliability standards. Intervening landowners supported removal of the line from their bordering properties..... **\$8,500,000.00**

Other NWA Savings

The NWA initiative resulted in approximately \$5 million in savings when Central Maine Power found a new project solution during the NWA investigation for a substation upgrade. The lower cost solution was not the subject of a PUC docket and likely would not have been found but for the attention to detail required for an NWA review..... **\$5,000,000.00**

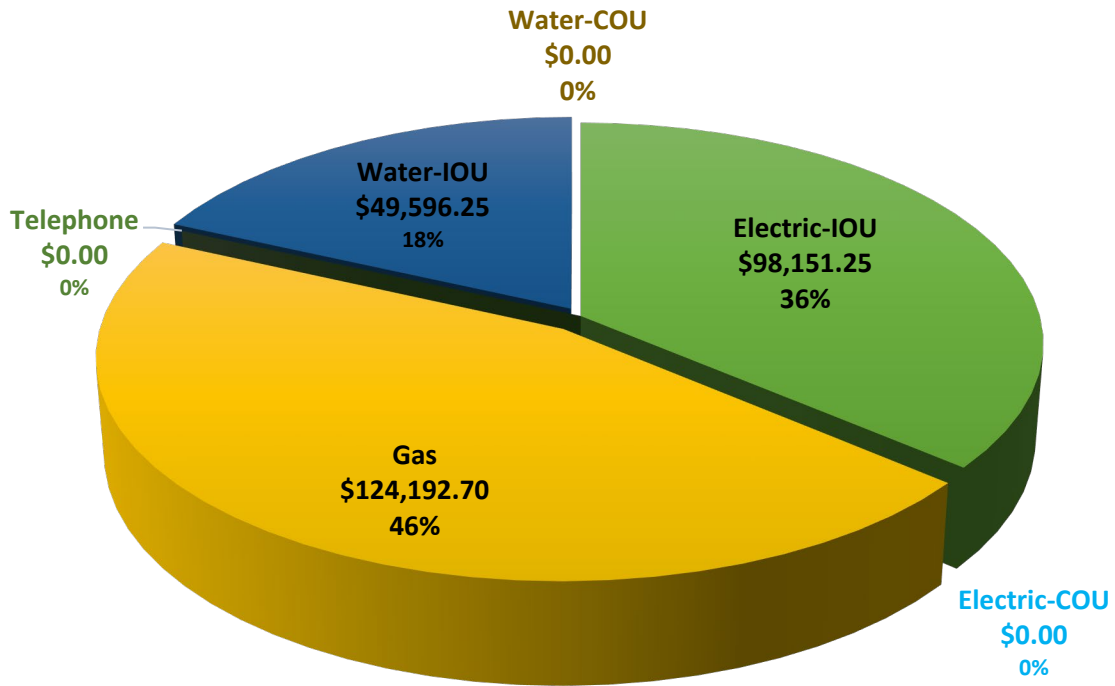
TOTAL SAVINGS FY2022: \$19,200,000.00

CUMULATIVE RATEPAYER SAVINGS COMPARISON



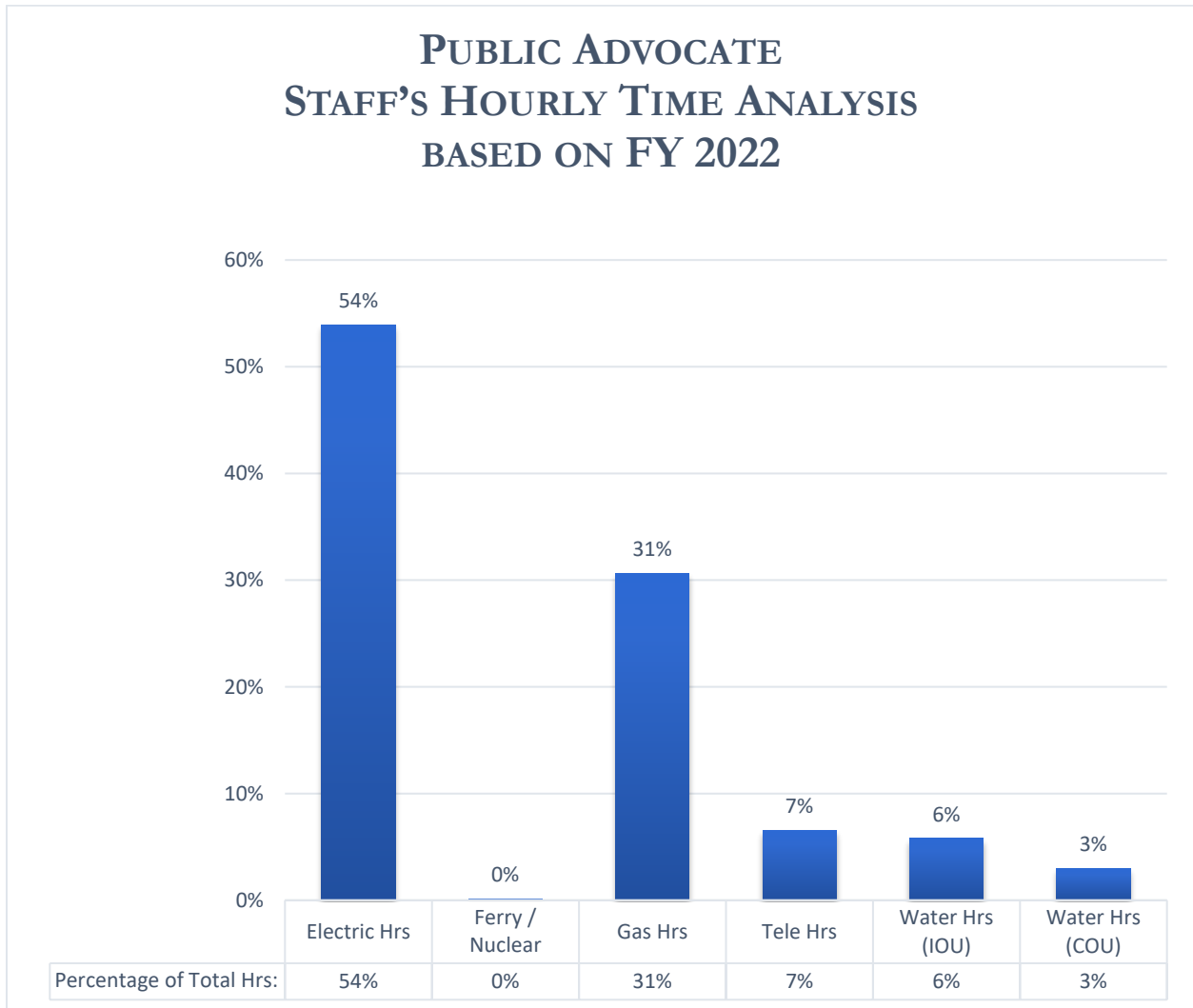
CONSULTANT EXPENDITURES ANALYSIS

**OPA Consultant Expenditures
For Calendar Year 2021**



■ Electric-IOU \$98,151.25 ■ Electric-COU \$0.00 ■ Gas \$124,192.70
■ Telephone \$0.00 ■ Water-IOU \$49,596.25 ■ Water-COU \$0.00

PUBLIC ADVOCATE STAFF’S HOURLY TIME ANALYSIS



Note: Pursuant to PL 2021, c. 318, Sec. 2 sub- §8 (Title 35-A M.R.S.A., section 116, subsections 1 and 8), the effective date for the breakdown between consumer-owned and investor-owned utilities is August 1, 2022. Therefore, is not reflected in the above-referenced chart which covers Fiscal Year 2022, July 1, 2021 thru June 30, 2022.

ACCOUNTING OF PUBLIC ADVOCATE’S RESOURCES

Per statute 35-A M.R.S.A § 1702, sub-§ 6A; (PL 2021, c.318 § 8), this year the OPA is required to provide the following accounting:

The portion of the OPA’s resources devoted to matters related to investor-owned utilities and the portion of resources devoted to matters related to consumer-owned utilities; and

The OPA’s expenses per dollar of intrastate gross operating revenue for investor-owned utilities and for consumer-owned utilities.

The table below illustrates those accountings. Please note, our data collection is incomplete for this year given the effective date of the statute. OPA resources reflected in the table are from September 21, 2021 through June 30, 2022.

<u>Utility Type</u>	<u>Portion of OPA Resources</u>	<u>Expenses per Dollar of Utility Revenue</u>
Electric – Investor Owned	46%	\$0.002706
Electric – Consumer Owned	1%	\$0.001171
Gas	33%	\$0.005001
Telephone/Communications	9%	\$0.001577
Water – Investor Owned	10%	\$0.011897
Water – Consumer Owned	1%	\$0.000183